

O'MALLEY-BROWN ADMINISTRATION: FISCAL RESPONSIBILITY

MAINTAINING FISCAL RESPONSIBILITY

Nearly Closed the Structural Deficit. In 2007, we inherited a \$1.7 billion structural deficit, the result of a previous administration that increased spending 34% over 4 years. Working together through a balanced approach of spending cuts and revenues, Maryland is on the verge of eliminating its structural deficit. As of the FY2014 budget, **more than 91% of the state's structural deficit will be closed.**

Increasing Maryland's Reserve Funds. Even while working to reduce the structural deficit, Governor O'Malley, and the men and women of the General Assembly, have protected our state's Rainy Day fund, increasing it by 10% to 5.5% of the state's revenues in FY2014. The FY2014 budget also leaves a General Fund cash balance of \$290 million. **All told, the FY2014 budget preserves more than \$1 billion in cash resources as well as an additional nearly \$100 million set aside to address critical programs impacted by federal sequestration.**

Constraining Budget Growth. Total budget growth for FY2014 is limited to 3%. The average annual General Fund growth rate under Governor O'Malley is just 1.4%- the lowest in recent Maryland history.

Maintaining a Triple A Bond Rating. As a result of the sound fiscal policies put in place by Governor O'Malley and the General Assembly over the past 6 years, **Maryland remains one of only nine states in the nation to maintain a Triple A Bond rating** from all three major bond rating agencies. This strongest possible rating reflects the state's strong fiscal health and allows Marylanders to invest more economically in their future. In reaffirming Maryland's ratings last month, Fitch Ratings said that Maryland's Triple A bond rating, "reflects its sound financial operations, a wealthy, diversified economy and strong management of debt...The state's approach to fiscal management has been consistently conservative both through the last recession and during the recovery, with the state relying on spending cuts, revenue increases and the use of non-recurring resources to maintain balance. Maryland retains ample fiscal flexibility, including in the form of a well-funded rainy day fund, the targeted threshold of which the state is elevating in response to federal budget uncertainty."

ELIMINATING WASTE AND REDUCING THE SIZE OF STATE GOVERNMENT

Largest Spending Cuts in Maryland History. Governor O'Malley and the General Assembly have **cut \$8.7 billion in state spending over the past seven years** - more than during any administration in Maryland history. **The FY2014 budget includes \$366 million in cuts** while still protecting the state's investment in job creation, K-12 education, public safety and the environment.

Maryland State Government is the Smallest Since 1973. Since taking office, Governor O'Malley has **abolished 5,738 state positions**. There are fewer executive branch employees today than there were in 2007 and, on a per capita basis, there are fewer executive branch employees than at any time since 1973.